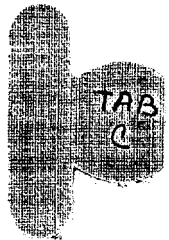


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Macmillan Statement to House

Discussions in the China Committee on controls on trade with China have taken place over the last three weeks. In the light of these discussions H.M. Government have (#) policy of cooperating without friends and allies in a system of controls on trade with both the Soviet bloc and China in the mutual security interest. As regards the detailed scope of the United Kingdom controls on trade with China, however, we have informed our associates that in future we shall adopt the same lists for China and the Soviet bloc. This decision will mean no change as regards items which are embargoed for both the Soviet bloc and China. But certain items now embargoed for China will either be transferred to the quantitative control list or to the watch list or completely freed. The necessary detailed arrangements will need to be discussed in the China Committee. The export of goods control order will be amended accordingly as soon as that can be done. In the meantime licenses will be granted on request for all items not subject to export licensing to the Soviet bloc. For items subject to quantitative control for exports to the Soviet bloc it will not be possible to grant licenses until discussions have been held in Paris about the size of quotas for China. Exporters interested in any items which are not embargoed to the Soviet bloc should communicate with the Export Licensing Branch of the Board of Trade.



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